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FEB 1, 2007

# BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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## PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

**CLASS I PRICE FOR MILK TESTING 3.5%**  
**CLASS I BUTTERFAT PRICE PER POUND**

**\$15.94 /CWT**  
**\$1.32 /LB**

## EFFECTIVE MARCH 1, 2007:

The minimum price to pay milk producers, under ARM 32.24.301, is **\$15.94** per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 13.2 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.32.

## PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

**CLASS II PRICE FOR MILK TESTING 3.5%**

**\$14.24 /CWT**

Average spray process dry milk solids

price per pound = \$1.29375  
Multiplied by 8.2 x 8.2

\$10.60880

Last quote of the month for Grade AA butter  
minus a differential of \$.0895 =

Multiplied by 4.2 x 4.2

\$4.95810

LESS a make allowance of 8.5% ( \$15.5669 X .085)

Rounded to the nearest whole cent = **\$14.24 /hundredweight.**

STATE DOCUMENTS COLLECTION

FEB 03 2007

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1515 E. 6th AVE.  
HELENA, MONTANA 59620

\$10.60880

+ \$4.95810  
\$15.56690  
- \$1.32319  
**\$14.24371**

**CLASS II BUTTERFAT PRICE PER POUND****\$1.31 /LB**

Last quote of the month for Grade AA butter  
 minus a differential of \$.0895 = \$1.18050 X .111 ) = \$0.13104  
 Rounded to the nearest half cent = \$0.131

Butterfat value per pound  
 for milk at 3.5% test: \$1.31

Hundredweight price of milk testing 3.5% = \$14.24  
 LESS 3.5 pounds of butterfat at \$1.31 per pound = \$4.585  
 Value of 96.5 pounds of skim = \$9.655

**CLASS II VALUE OF**  
**ONE POUND OF SKIM** 9.655 / 96.5 pounds) = \$0.10005 /LB

**PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(7)

**CLASS III PRICE PER CWT FOR MILK TESTING 3.5%****\$12.21 /CWT**

3.5 pounds of butterfat x \$1.06 per pound = \$3.710  
 96.5 pounds of skim x \$0.08805 per pound = \$8.497  
 \$12.207 /CWT

**CLASS III BUTTERFAT PRICE PER POUND****\$1.06 /LB**

Last quote of the month for Grade AA butter  
 minus a difference of \$.0895 = \$1.18050  
 LESS 10% - \$0.11805  
 \$1.06245

Rounded to the nearest whole cent = \$1.06 per pound.

**CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED****\$8.0526 /CWT**

Avg. spray process dry milk solid price/lb = \$1.29375  
 Multiplied by 8.2 x 8.2 = \$10.60875  
 LESS 17% - \$1.80349  
 \$8.80526

Rounded to the nearest whole cent = \$8.81 per hundredweight.

**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**Compiled by: *Monte Nick*

Monte Nick, Bureau Chief  
 Montana Milk Control Bureau

## BREAKDOWN BY TEST FOR CLASS I, II &amp; III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$15.94 FOR 3.5% MILK 96.5 LBS = \$11.320				CLASS II SKIM PRICE BASED ON \$14.24 FOR 3.5% MILK 96.5 LBS = \$9.655				CLASS III SKIM PRICE BASED ON \$12.21 FOR 3.5% MILK 96.5 LBS = \$8.497			
Blend Prices				Blend Prices				Blend Prices			
		Quota	Excess			Quota	Excess			Quota	Excess
Jul-96	\$	15.42	\$ 11.48	Jan-00	\$	11.39	\$ 8.14	Jul-03	\$	11.23	\$ 10.00
Aug-96	\$	16.52	\$ 13.19	Feb-00	\$	12.33	\$ 7.98	Aug-03	\$	11.65	\$ 12.40
Sep-96	\$	16.14	\$ 13.37	Mar-00	\$	12.15	\$ 8.05	Sep-03	\$	12.58	\$ 12.67
Oct-96	\$	16.33	\$ 12.47	Apr-00	\$	12.18	\$ 8.03	Oct-03	\$	14.50	\$ 14.08
Nov-96	\$	17.19	\$ 10.54	May-00	\$	12.35	\$ 7.79	Nov-03	\$	14.09	\$ 12.38
Dec-96	\$	15.41	\$ 8.09	Jun-00	\$	12.47	\$ 7.83	Dec-03	\$	14.60	\$ 11.22
Jan-97	\$	13.25	\$ 11.85	Jul-00	\$	13.11	\$ 9.21	Jan-04	\$	14.15	\$ 10.59
Feb-97	\$	13.01	\$ 9.83	Aug-00	\$	13.51	\$ 8.04	Feb-04	\$	12.75	\$ 11.64
Mar-97	\$	13.35	\$ 9.95	Sep-00	\$	13.38	\$ 9.53	Mar-04	\$	13.15	\$ 12.48
Apr-97	\$	13.84	\$ 9.88	Oct-00	\$	13.49	\$ 8.14	Apr-04	\$	14.23	\$ 13.94
May-97	\$	13.79	\$ 8.11	Nov-00	\$	13.40	\$ 10.31	May-04	\$	14.45	\$ 13.95
Jun-97	\$	12.37	\$ 8.09	Dec-00	\$	12.82	\$ 9.29	Jun-04	\$	18.35	\$ 12.97
Jul-97	\$	12.34	\$ 8.14	Jan-01	\$	14.01	\$ 10.23	Jul-04	\$	19.04	\$ 10.58
Aug-97	\$	12.41	\$ 9.59	Feb-01	\$	13.47	\$ 9.91	Aug-04	\$	17.27	\$ 11.19
Sep-97	\$	12.80	\$ 10.38	Mar-01	\$	12.84	\$ 10.47	Sep-04	\$	14.63	\$ 11.29
Oct-97	\$	13.76	\$ 10.50	Apr-01	\$	14.10	\$ 11.76	Oct-04	\$	14.24	\$ 11.17
Nov-97	\$	14.05	\$ 11.22	May-01	\$	14.68	\$ 12.62	Nov-04	\$	15.26	\$ 11.49
Dec-97	\$	14.22	\$ 10.43	Jun-01	\$	15.78	\$ 13.09	Dec-04	\$	13.86	\$ 10.66
Jan-98	\$	14.16	\$ 10.10	Jul-01	\$	15.48	\$ 13.36	Jan-05	\$	15.51	\$ 13.80
Feb-98	\$	14.38	\$ 10.11	Aug-01	\$	16.52	\$ 13.92	Feb-05	\$	15.67	\$ 10.61
Mar-98	\$	14.50	\$ 9.65	Sep-01	\$	15.74	\$ 14.58	Mar-05	\$	14.32	\$ 11.99
Apr-98	\$	14.50	\$ 9.65	Oct-01	\$	16.74	\$ 13.29	Apr-05	\$	15.03	\$ 12.43
May-98	\$	13.72	\$ 8.71	Nov-01	\$	15.40	\$ 12.22	May-05	\$	14.74	\$ 12.74
Jun-98	\$	13.37	\$ 10.65	Dec-01	\$	14.90	\$ 10.38	Jun-05	\$	14.57	\$ 11.81
Jul-98	\$	12.91	\$ 12.54	Jan-02	\$	12.99	\$ 10.60	Jul-05	\$	14.09	\$ 12.30
Aug-98	\$	14.53	\$ 13.06	Feb-02	\$	12.90	\$ 10.78	Aug-05	\$	15.16	\$ 13.33
Sep-98	\$	16.03	\$ 13.37	Mar-02	\$	12.77	\$ 10.50	Sep-05	\$	15.47	\$ 12.66
Oct-98	\$	16.12	\$ 14.72	Apr-02	\$	12.72	\$ 10.20	Oct-05	\$	14.76	\$ 13.77
Nov-98	\$	16.34	\$ 15.91	May-02	\$	12.55	\$ 10.84	Nov-05	\$	14.97	\$ 13.21
Dec-98	\$	17.17	\$ 15.55	Jun-02	\$	11.51	\$ 8.79	Dec-05	\$	14.96	\$ 12.29
Jan-99	\$	16.94	\$ 10.92	Jul-02	\$	12.30	\$ 9.46	Jan-06	\$	14.15	\$ 12.46
Feb-99	\$	17.54	\$ 9.92	Aug-02	\$	11.82	\$ 10.15	Feb-06	\$	14.08	\$ 12.58
Mar-99	\$	16.75	\$ 9.63	Sep-02	\$	11.86	\$ 10.36	Mar-06	\$	14.05	\$ 12.55
Apr-99	\$	11.95	\$ 10.31	Oct-02	\$	11.68	\$ 10.11	Apr-06	\$	12.71	\$ 11.21
May-99	Missing May			Nov-02	\$	11.60	\$ 10.66	May-06	\$	12.44	\$ 10.94
Jun-99	\$	12.86	\$ 9.51	Dec-02	\$	12.04	\$ 10.61	Jun-06	\$	11.98	\$ 10.48
Jul-99	\$	12.85	\$ 11.66	Jan-03	\$	12.85	\$ 10.61	Jul-06	\$	11.44	\$ 9.94
Aug-99	\$	13.25	\$ 13.11	Feb-03	\$	11.08	\$ 9.52	Aug-06	\$	12.24	\$ 10.74
Sep-99	\$	14.79	\$ 12.26	Mar-03	\$	11.31	\$ 9.65	Sep-06	\$	12.44	\$ 10.94
Oct-99	\$	16.32	\$ 10.20	Apr-03	\$	11.10	\$ 10.06	Oct-06	\$	12.57	\$ 11.07
Nov-99	\$	17.00	\$ 8.10	May-03	\$	11.17	\$ 9.80	Nov-06	\$	13.73	\$ 12.23
Dec-99	\$	12.68	\$ 8.18	Jun-03	\$	10.99	\$ 9.49	Dec-06	\$	13.42	\$ 11.92

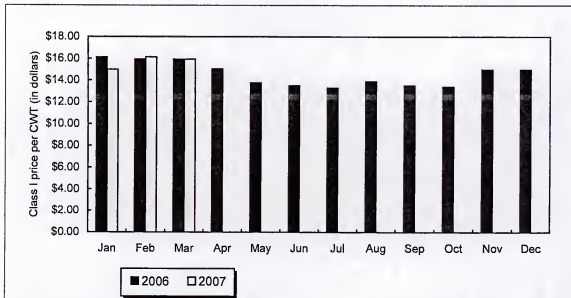
## PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2006 and 2007

Statistics from the Montana Milk Control Bureau

Month	2006	2007	Difference	% Change
January	\$16.12	\$14.98	(\$1.14)	-7.07%
February	\$15.93	\$16.14	\$0.21	1.32%
March	\$15.93	\$15.94	\$0.01	0.06%
April	\$15.04			
May	\$13.77			
June	\$13.52			
July	\$13.30			
August	\$13.89			
September	\$13.52			
October	\$13.40			
November	\$14.97			
December	\$14.95			
Average	\$14.53	\$15.69	(\$0.31)	-1.90%

Prices are per hundredweight (CWT).

Completion of pooling (prior to audit) shows the producer quota blend prices to be:

DECEMBER 2006: class I = \$8.50; class II = \$0.99; Class III = \$4.33; total = \$13.82

(calculations based upon utilization percentages of butterfat &amp; skim)